Cost of holding of food stocks

472. SHRI KRISHNA KUMAR BIRLA : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether the cost of holding of food stocks have gone up during the recent years ;

(b) the details about the cost of holding food stocks for the last three years ;

(c) whether the rise in cost of holding is passed on in the issue prices of foodgrains ; and

(d) the basis of determining the current issue prices and its upward revision?

THE MINISTER OF FOOD AND CIVIL SUPPLIES (SHRI NATHU RAM MIRDHA) : (a) and (b) The carrying cost of buffer stocks of wheat and rice for three years from 1986-87 to 1988-89 are as under :—

Year	Rate (Rs. per Qtl.)
1986-87	48·43
1987-88	36·83
1988-89	61·84

(c) and (d) Central issue prices of wheat and rice are deteumined taking into consideration several factors like the increase in support price, handling expenses of FCI, availability of foodgrains, likely impact on the general economy and the need to safeguard the interests of the common man. These prices, however, do not cover the entire economic cost of foodgrains. With a view to keeping the foodgrains within the reach of common consumers, the difference between the economic cost and issue prices of grains is paid as subsidy as a deliberate welfare policy of the Central Government.

Purchase of laminated bags by Central Purchase Committee of Public Cooperative Fertilizer Companies

473. PROF. SOURENDRA BHATTACHARJEE : Will the Minister of AGRICULTURE be pleased to state :

(a) whether the Central Purchase Committee of some Public Cooperative Fertiliser Companies floated a tender among limited number of laminators purported to be registered with the IST, for supply of laminated bags worth Rs. 300 crores ;

(b) whether it is a fact that the purchase was made at a higher rate involving allegation of illegal transactions on the margin available to the suppliers ;

(c) whether it is also a fact that the Central Purchase Committee booked orders for serveral fertiliser plants where there is no requirement of bags for 6-9 months; and

(d) if so, the reasons therefor and whether Government propose to institute an enquiry into the matter?

THE DEPUTY PRIME MINISTER AND THE MINISTER OF AGRICULTURE (SHRI DEVI LAL) : (a) The Central Purchase Committee floated a tender through press advertisement for pre-qualifying suppliers of jute and HDPE bags on the basis of their capacity, financial status past performance and ISI registration.

(b) to (d) There were allegations against the functioning of the Central Purchase Committee and therefore it was abolished on 16th January, 1990. The entire matter is being buired into by CBI.